

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

BRITESMILE, INC, et al.,

No. C 02-3220 JSW (JL)

Plaintiffs,

v.

**ORDER DENYING PLAINTIFF'S
DISCOVERY REQUEST
(Docket # 205)**

DISCUS DENTAL INC, et al.,

Defendants.

Before the Court is the parties' joint statement regarding a discovery dispute. All discovery in this case has been referred by the district court (Hon. Jeffrey S. White) pursuant to Civil Local Rule 72-1 and 28 U.S.C. §636(b). This Court finds the matter suitable for decision without oral argument, as provided by Civil Local Rule 7-6. The parties state that they have met and conferred numerous times in an attempt to resolve their dispute but have not succeeded. The Court accepts their statement as adequate to show compliance with Civil Local Rule 37.

Plaintiff BriteSmile asks the Court to order Defendant Discus Dental to produce Privilege Log item Nos. 3-11, 13-17, 19, 20, 24, 25, 29, 30, 34, 423 and 1350, prior to the deadline imposed by Patent Local Rule 3-8. BriteSmile claims the items are relevant and not privileged and are therefore discoverable under Rule 26, Federal Rules of Civil Procedure. BriteSmile contends that any claim of privilege for attorney client communications or attorney

work product have been waived by disclosure to Dr. Salim Nathoo. Furthermore, BriteSmile claims that Patent Local Rule 2-5(d) does not apply and therefore opinion letters such as document Nos. 7, 34 and 423 and 1350 should be produced prior to the deadline in Patent Local Rule 3-8, which is 50 days after the trial court issues its claims construction order. BriteSmile claims documents Nos. 7 and 423 were created before the patents in suit had issued, and No. 34, although created after the '933 patent issued, is directed to light-activated tooth whitening, while Discus has stated its technology is not light-activated. Therefore, BriteSmile contends these documents could not relate to a defense against a charge of willful infringement. BriteSmile claims the documents are crucial to its case against Discus and Dr. Nathoo for breach of contract and misappropriation of trade secrets in that they reflect how Discus valued the intellectual property it was receiving from Dr. Nathoo.

Discus Dental claims that it did not waive any privilege when it disclosed documents to Dr. Nathoo, because its counsel was investigating whether the technology that Discus was purchasing from Dr. Nathoo either (a) infringed any patents, or (b) was itself patentable. Discus was only interested in purchasing the technology if it was patentable and non-infringing, and both Discus and Nathoo shared a common interest in the outcome of Discus' attorneys' analysis of those issues. On this basis, due to the parties' shared legal interest in whether the technology could be patented and not infringe and their shared business interest in the sale of the technology. Discus claims disclosures were made only under a strict duty of confidentiality.

Analysis and Conclusion

Patent Local Rule 2-5 (d) provides that in general a party may not object to a discovery request as premature or decline to provide information required to be disclosed pursuant to FRCP 26(a)(1). A party may object, however, to responding to certain categories of discovery requests or decline to provide information in its initial disclosures under FRCP 26(a)(1) on the ground that they are premature in light of the timetable provided in the Patent Local Rules. One of these categories is:

1 (d) Requests seeking to elicit from an accused infringer the identification of any
2 opinions of counsel, and related documents, that it intends to rely upon as a defense to
an allegation of willful infringement.

3 In addition, Patent Local Rule 3-8 provides that a party defending against a cause of
4 action for willful infringement shall disclose opinion letters related to that defense 50 days
5 following the issuance of the court's claims construction order.

6 Therefore, under the Patent Local Rules, Discus may validly withhold documents or
7 information reflecting its defense to BriteSmile's charge of willful infringement until 50 days
8 after the trial court issues its claims construction order.

9 The claims construction hearing in this case was held and submitted on July 28. The
10 order is pending.

11 Discus objects to producing certain of the documents requested by BriteSmile on the
12 basis that they support its defense to BriteSmile's accusation that Discus wilfully infringed
13 BriteSmile's patent. BriteSmile's claim that the documents couldn't relate to infringement
14 because they were drafted before the patent was issued is unavailing. It is entirely possible
15 that the documents reveal attorney thought processes which offset the potential for
16 infringement of one of BriteSmile's patents, regardless of when it was written. Similarly
17 unavailing is its contention that a document dealing with light-activated tooth whitening couldn't
18 relate to wilful infringement if Discus claimed its technology did not involve light activation. The
19 document could involve a comparison of this technology, which would reflect attorney thought
20 processes.

21 With respect to BriteSmile's claim that Discus has waived any privilege by disclosing
22 documents to Dr. Salim Nathoo, this Court finds that Discus and Nathoo share a common
23 legal interest in the issue of whether the technology that Nathoo sold to Discus was patentable
24 and whether it infringed any patent. They also share a common business interest in the sale of
25 the technology. Accordingly, Discus waived no privilege by disclosing the documents and
26 information to Nathoo.

27 In the *Hewlett-Packard Co. v. Bausch & Lomb Inc.*, the court reasoned: "Unless it
28 serves some significant interest courts should not create procedural doctrine that restricts

1 communications between buyers and sellers, erects barriers to business deals, and increases
2 the risk that prospective buyers will not have access to important information that could play
3 key roles in assessing the value of the business or product they are considering buying.”

4 *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 115 F.R.D. 308, 311 (N.D.Cal. 1987).

5 In the case at bar, if the Court required disclosure of privileged information shared by
6 Discus with Dr. Nathoo in order to facilitate its purchase of his technology, it could potentially
7 chill similar transactions.

8 For all the above reasons, this Court orders that BriteSmile’s request for an order that
9 Discus disclose the documents on its Privilege Log prior to the deadline imposed by Patent
10 Local Rule 3-8 is denied.

11 IT IS SO ORDERED.

12 DATED: August 10, 2004

13 /s/ James Larson

14 JAMES LARSON
15 United States Magistrate Judge
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